(2)

No. 87-1346

Supreme Court, U.S.
FILED
SEP 8 1988
JOSEPH F. SPANIOL, JR.
CLERK

In The

Supreme Court of the United States

October Term, 1987

BONITO BOATS, INC.

Petitioner,

v.

THUNDER CRAFT BOATS, INC.

Respondent.

ON WRIT OF CERTIORARI TO THE SUPREME COURT OF FLORIDA

JOINT APPENDIX

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(Amicus Curiae, invited by Court per order of June 30, 1988)

Petition for Certiorari Filed February 8, 1988
Certiorari Granted May 16, 1988

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CHRONOLOGICAL LIST OF RELEVANT DOCKET ENTRIES

December 21, 1984	Complaint filed and Summons issued
January 8, 1985	Summons and Complaint served on Defendant
February 12, 1985	Motion to Dismiss filed
February 28, 1985	Hearing held on Defendant's Motion to Dismiss
March 4, 1985	Order entered by the Circuit Court in and for Orange County, Florida dismissing the Complaint
March 19, 1985	Notice of Appeal filed in the Circuit Court of the Ninth Judicial Circuit in and for Orange County, Florida
April 24, 1986	Fifth District Court of Appeals Opinion entered affirming dismissal of Complaint
May 12, 1986	Mandate entered from Fifth District Court of Appeals of the State of Florida
May 27, 1986	Notice of Appeal to the Florida Supreme Court filed
November 12, 1987	Corrected Opinion of Supreme Court of Florida entered affirming dismissal of complaint
February 8, 1988	Petition for Writ of Certiorari filed
May 16, 1988	Order allowing certiorari entered

IN THE CIRCUIT COURT OF THE
NINTH JUDICIAL CIRCUIT OF FLORIDA,
ORANGE COUNTY, FLORIDA
CIVIL DIVISION

BONITO BOATS, INC., Case No. CI 84-13248

Plaintiff, (Filed January 2, 1985)

vs.

THUNDER CRAFT
BOATS, INC.,

Defendant.

SUMMONS

THE STATE OF FLORIDA:

To Each Sheriff of the State:

YOU ARE HEREBY COMMANDED to serve this summons and a copy of the complaint or petition in this action on defendant

MR. JAMES BRYANT
Registered Agent
THUNDER CRAFT BOATS, INC.
102 Archer road
Knoxville, Tennessee

Each defendant is hereby required to serve written defenses to the complaint or petition on plaintiff's attorney, whose address is

HAROLD E. MORLAN, II
BAKER & HOSTETLER
Post Office Box 112
Orlando, Florida 32802
(305) 841-1111

within 20 days after service of this summons on that defendant, exclusive of the day of service, and to file the original of the defenses with the clerk of this court either

before service on plaintiff's attorney or immediately thereafter. If a defendant fails to do so, a default will be entered against that defendant for the relief demanded in the complaint or petition.

Dated on December 21, 1984.

Served 8 Jan. 1985
/s/ Bob Parton
/s/ illegible

W.D. GORMAN
Clerk of Circuit Court

(COURT SEAL)

BY: Phyllis Kipfinger
As Deputy Clerk

IN THE CIRCUIT COURT OF THE NINTH JUDICIAL CIRCUIT, IN AND FOR ORANGE COUNTY, FLORIDA

BONITO BOATS, INC.,

Plaintiff,

v.

THUNDER CRAFT BOATS, INC.,

Defendant.

_____/

CASE NO. CI 84-13248

(Filed Dec. 21, 1984)

COMPLAINT

COMES NOW Plaintiff, Bonito Boats, Inc., by and through its undersigned attorneys, and sues Defendant, Thunder Craft Boats, Inc., and for cause says:

1. This is an action for damages in excess of $5,000, and for injunctive relief and statutory damages pursuant to § 559.44 and § 812.035(7), *Florida Statutes*.

2. Plaintiff, Bonito Boats, Inc., is a Florida corporation having its principal place of business in Orlando, Orange County, Florida, and is engaged in the business of designing, manufacturing and selling boats.

3. Defendant, Thunder Craft Boats, Inc., is a Tennessee corporation having its principal place of business in Knoxville, Tennessee and is engaged in the business of manufacturing and selling boats.

4. At all times material herein, Defendant, Thunder Craft Boats, Inc., has operated, conducted, engaged in or carried on a business or business venture in Florida and

is subject to the jurisdiction of the Court herein pursuant to § 48.193, *Florida Statutes*.

5. On or about September 1976, Bonito Boats, Inc., developed an original hull design for a fiberglass recreational boat and on or about September 1976 began manufacturing and marketing said boat under the trade name Bonito Boat Model "5VBR." Plaintiff, Bonito Boats, Inc., owns all the property rights in said Bonito Boat Model "5VBR." Due to the high quality of the design and construction of Bonito Boat Model "5VBR," there has developed a broad interstate market for said boat, which market continues to expand.

6. On or after July 1, 1983, and continuing to the present, Defendant, Thunder Craft Boats, Inc., has unlawfully duplicated the Bonito Boat Model "5VBR" and knowingly has sold numerous unauthorized copies of said Bonito Boat under the model name "Capri."

7. Defendant, Thunder Craft Boats, Inc., has used, and continues to use, the "direct molding process" to duplicate for the purpose of sale the manufactured vessel hull or component parts of the Bonito Boat Model "5VBR" without the written permission of Plaintiff, Bonito Boats, Inc., in violation of § 559.94(2), *Florida Statutes*. Defendant, Thunder Craft Boats, Inc., has knowingly sold, and continues knowingly to sell said vessel hulls or component parts of vessel hulls in violation of § 559.94(3), *Florida Statutes*.

8. Although Plaintiff, Bonito Boats, Inc., has formally demanded that Defendant, Thunder Craft Boats, Inc., cease the unlawful copying and sale of Plaintiff's boat hull, Defendant has refused to do so.

9. The acts of Defendant, Thunder Craft Boats, Inc., in unlawfully copying and selling Bonito Boat Model "5VBR," and refusing to cease despite Plaintiff's demands, constitute willful violations of § 812.014, *Florida Statutes*, in that Defendant, Thunder Craft Boats, Inc., has knowingly obtained or used, or endeavored to obtain or use, the property of Plaintiff with intent to either temporarily or permanently deprive Plaintiff of a right to the property or a benefit therefrom, and to appropriate to Defendant's own use Plaintiff's property rights in the Bonito Boat Model "5VBR."

10. As a direct result of Defendant's unlawful copying and selling of Bonito Boat Model "5VBR," Plaintiff has suffered and continues to suffer extensive damages from lost sales, loss of goodwill, dilution of the value of its hull design, costs of investigation of Defendant's acts, and attorneys' fees and costs of this action.

11. As a result of Defendant's wrongful conduct set forth above, Plaintiff has been required to retain the law firm of Baker & Hostetler and has become obligated to pay said firm a reasonable attorney's fee for services rendered in connection with this action.

WHEREFORE, Plaintiff, Bonito Boats, Inc., demands judgment against Defendant, Thunder Craft Boats, Inc., for:

(a) a temporary and permanent injunction prohibiting Defendant from continuing to unlawfully duplicate and sell Bonito Boat hulls or components;

(b) an accounting of all monies received by Defendant from the sale of "Capri" model boats;

(c) threefold actual damages;

(d) punitive damages in excess of $500,000;

(e) attorney's fees;

(f) costs of investigation;

(g) costs of this action; and

(h) such other relief as is just.

Further, Plaintiff requests jury trial of all issues so triable herein.

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Attorneys for Plaintiff,
Bonito Boats, Inc.

By: /s/ Harold E. Morlan II
HAROLD E. MORLAN, II
Florida Bar No. 211656

IN THE CIRCUIT COURT OF THE NINTH JUDICIAL CIRCUIT, IN AND FOR ORANGE COUNTY, FLORIDA

BONITO BOATS, INC.,

Plaintiff,

vs.

THUNDER CRAFT BOATS, INC.,

Defendant.
_____/

CASE NO. 84-13248

(Filed Feb. 12, 1985)

DEFENDANT'S MOTION TO DISMISS

Pursuant to Rule 1.140(a), Florida Rules of Civil Procedure, Defendant THUNDER CRAFT BOATS, INC., moves this Court to enter an Order dismissing the Complaint filed herein. In support of this motion, Defendant relies on the following:

1. The Complaint seeks to impose substantial monetary and coercive relief for the alleged duplication of an article in commerce that is not protected by the patent, trademark, or copyright laws of the United States. The relief is based entirely on two statutes enacted by the State of Florida. These state statutes are repugnant to the Supremacy Clause of the Constitution of the United States of America and are therefore invalid. *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 84 S.Ct. 779, 11 L.Ed.2d 669 (1964); *Sears Roebuck & Co. v. Stiffel Co.*, 376 U S. 225, 84 S.Ct. 784, 11 L.Ed.2d 661 (1964).

2. To the extent that Plaintiff's claim for damages under Chapter 812, Florida Statutes, is not unconstitutional, the Complaint fails to allege sufficient ultimate facts to state a valid cause of action for civil theft.

3. Contrary to Rules 1.110(f) and (g), the Complaint improperly combines two distinct claims or causes of action without separating them into different counts.

WHEREFORE, Defendant THUNDER CRAFT BOATS, INC., respectfully requests this Court to enter an Order dismissing the Complaint.

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Attorneys for Defendant

By: /s/ Hal K. Litchford
Hal K. Litchford

IN THE CIRCUIT COURT,
IN AND FOR ORANGE
COUNTY, FLORIDA

BONITO BOATS, INC.,
Plaintiff,

CASE NUMBER 84-12348
(Filed Mar. 4, 1985)

vs.

THUNDER CRAFT
BOATS, INC.,
Defendant.

_____/

ORDER

This cause came on to be heard upon the Motion of Defendant to dismiss the Complaint. The Complaint is in one count, and is essentially based upon the prohibition against use of the "direct molding" process as set out in Section 559.94 of Florida Statutes in the following words: "It is unlawful for any person to use the direct molding process to duplicate for the purpose of sale any manufactured vessel hull or component part of a vessel made by another without the written permission of that other person." The Plaintiff complained that Defendant, by use of said process, has duplicated a boat which was conceived by the Plaintiff, the mold therefor crafted, developed, and manufactured by the Plaintiff and its staff bearing model name "5VBR", which boat had developed a broad and profitable market. Defendant's duplicate bears a name "Capri" and is invading Plaintiff's market, all to the great loss and damage of the Plaintiff. It is not alleged the mold which the Plaintiff's staff developed, prepared, and has used and is using for the production of its model of said boat, has either a mechanical or design

patent. In other words, it appears to occupy the same class as an unpatentable article or an article on which a patent has expired, in which case it is then in the public domain and may be made and sold by whomever chooses. In essence, what the Defendant has done is copy the Plaintiff's boat design by duplicating process which appears to be in violation of this statute. However, the U.S. Constitution and patent laws appear to permit this. See the cases of *Sears, Roebuck & Co., v. Stiffel Company*, 376 US 225, 11L ed 2d 661, 84 S Ct 784, reh den 376 US 973, 12 L ed 2d 87, 84 S Ct 1131 and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 US 234, 11 L ed 2d 669, 84 S Ct 779, reh den 377 US 913, 12 L ed 2d 183, 84 S Ct 1162. These are cases in which it has been held that an article upon which there is no patent may be copied or duplicated, that is to say, that members of the public have every right under the Federal Patent Laws not only to copy and duplicate, but to share in the good will of an article which is not protected by a patent or a trademark. See also *Crow v. Wainright*, 720 F.2d 1224 (11th Cir. 1984) and *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F. 2d 1423 (Fed. Cir. 1984). None of the above cases cover copying or duplicating by use of a mold. However, these cases do not place any limitation whatsoever on the manner in which a copy or duplicate of an article may be made.

The Court is therefore of the view that no such limitation can or may be placed upon the manner in which a copy of a duplicate may be made. In *Sears, Roebuck & Co.*, supra, the Court held " . . . But because of the patent law a State may not when the article is unpatentable and uncopyrighted prohibit the copying of the article itself or award damages for such copying . . . " In *Compco Corp*, supra,

which was decided on or about the same day the *Sears* case was decided, the Court held

> "Today we have held in *Sears, Roebuck & Co. v. Stiffel Co.*, supra, that when an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. I, Section 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain . . . . regardless of the copier's motives, neither these facts nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling."

Both cases indicated that a State law may impose liability upon such copier or duplicator to separately identify his article from that of the original manufacturer to the end that the original manufacturer's reputation for quality and integrity might be preserved. The failure of such indentification or a separate labeling is not complained of in the Complaint and does not appear to be the subject of this suit.

The Plaintiff has asserted that the case of *Goldstein v. California*, 412 US 546, 37 L. Ed. 2d 163, 93 S. Ct. 2303 (1973) is more applicable here. However, that case clearly distinguishes the *Sears* and *Compco* cases. It was decided under the copyright law as it existed prior to February 15, 1972, and a California statute then in existence all with reference to facts and circumstances which occurred at that time. The Court does not find it to be applicable to these facts and circumstances. The Court therefore reluctantly and with great regret feels the present circumstance of the law is such this Complaint must be dismissed with prejudice. It is upon consideration thereof

ORDERED and ADJUDGED that the Complaint of the Defendant is hereby dismissed with prejudice.

DONE and ORDERED in Chambers at Kissimmee, Osceola County, Florida, this 1st day of March, 1985.

/s/ Cecil H. Brown
CECIL H. BROWN
Circuit Judge

BONITO BOATS, INC., Appellant,

v.

THUNDER CRAFT BOATS, INC., Appellee.

No. 85-458.

District Court of Appeal of Florida, Fifth District.

April 24, 1986.

COWART, Judge.

The plaintiff below, Bonito Boats, Inc. (Bonito), appeals from an order dismissing with prejudice its complaint against the defendant below, Thundercraft Boats, Inc. (Thundercraft).

Bonito's complaint alleged that Thundercraft unlawfully duplicated one of Bonito's unpatented boat hulls using a "direct molding process" in violation of section 559.94, Florida Statutes.[1] The lower court granted

---

[1] 559.94 Duplication of vessel parts; action for injunctive relief against illegal duplication or against sale of illegally duplicated vessel parts.–

(1) As used in this section, the term:

(a) "Direct molding process" means any direct molding process in which the original manufactured vessel hull or component part of a vessel is itself used as a plug for the making of the mold, which mold is then used to manufacture a duplicate item.

(b) "Mold" means a matrix or form in which a substance for material is shaped.

(Continued on following page)

Thundercraft's motion to dismiss Bonito's complaint with prejudice on the ground that federal patent laws permit unrestricted copying of unpatented articles and preempt section 559.94, Florida Statutes. We affirm.

The issue in this case is whether federal patent laws preempt section 559.94, Florida Statutes. Two United States Supreme Court cases provide the answer. In *Sears Roebuck and Co. v. Stiffel Co.*, 376 U.S. 225, 84 S.Ct. 784, 11 L.Ed.2d 661 (1964), the Supreme Court held that a state may not, consistent with the supremacy clause of the Constitution (U.S. Const. art. VI), prohibit the copying of an unpatented article or award damages for such copying. Unpatented articles are in the public domain and may be copied and sold by whoever chooses to do so. The

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(Continued from previous page)

(c) "Plug" means a device or model used to make a mold for the purpose of exact duplication.

(2) It is unlawful for any person to use the direct molding process to duplicate for the purpose of sale any manufactured vessel hull or component part of a vessel made by another without the written permission of that other person.

(3) It is unlawful for any person to knowingly sell a vessel hull or component part of a vessel duplicated in violation of subsection (2).

(4) Any person who suffers injury or damage as the result of a violation of the provisions of this section may bring an action in circuit court for an injunction prohibiting such violations. In addition, such person shall be entitled to actual damages incurred as a result of such violation and to reasonable attorney's fees and costs.

(5) The provisions of this section apply only to vessel hulls or component parts of vessels duplicated through use of molds made on or after July 1, 1983.

Court rearticulated this position in *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 84 S.Ct. 779, 11 L.Ed.2d 669 (1964), noting that when an article is unprotected by a patent, state law may not forbid others to copy the article.

This is exactly what section 559.94, Florida Statutes, attempts to do by restricting duplication of vessel hulls or vessel component parts via the direct molding process. This restriction runs counter to the Congressional policy of granting patents only to true inventions and then only for a limited time and encroaches upon both the federal patent laws and the Congressional intent that the federal patent laws determine the question of what is to be patentable and protected from copying and what is to be in the public domain and unprotected from being copied.

We are aware that (as Bonito argues) section 559.94, Florida Statutes, prohibits only one form of copying, i.e., using the "direct molding process," yet permits detailed copying using other methods of duplication. However, neither *Sears*, nor *Compco*, nor any other Supreme Court opinion holds that federal law authorizes a state to limit the manner in which an unpatented item may be duplicated.[2] If state law may not forbid others from copying an unpatented article, then state law may not forbid a particular method of copying.

---

[2] The *Sears/Compco* doctrine does not prohibit the right of a state to require "those who make and sell copies to take precautions to identify their products as their own." *Compco*, 376 U.S. at 238, 84 S.Ct. at 782, 11 L.Ed.2d at 672. However, that is not the problem in this case.

Interpart Corp. v. Italia, 777 F.2d 678 (Fed.Cir.1985), is on point and supports appellant's position but we do not believe that case is consistent with *Sears, Roebuck and Co.* and *Compco*. We therfore hold that federal patent laws preempt Florida's power to regulate the copying of unpatented articles and that section 559.94, Florida Statutes, is unconstitutional under the supremacy clause of the United States Constitution. The lower court's order dismissing Bonito's complaint with prejudice is affirmed.

AFFIRMED.

COBB, C.J., concurs.

ORFINGER, J., dissents with opinion.

ORFINGER, Judge, dissenting.

I respectfully dissent. Section 559.94, Florida Statutes (1985) does not prohibit the copying of a boat hull, per se. It only prohibits the specific method of copying by the direct molding process. I find nothing in the *Sears/Compco* cases which prevents the state from outlawing this particular predatory type of misappropriation.

A very similar California statute was recently held constitutional in the case of *Interpart Corporation v. Imos Italia, Vitaloni, S.p.A.*, 777 F.2d 678 (Fed.Cir.1985). The court found no conflict with federal law nor any violation of the *Sears/Compco* principles. In holding that the statute did not clash with the objectives of the federal patent laws nor stand as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress, the federal court said of the California statute:

> It is clear from the face of the statute that it does not give the creator of the product the right to exclude

> others from making, using, or selling the product as does the patent law. The statute does not preclude one from photographing, measuring, or in any way utilizing the concept of the design of the product. It does not preclude copying the product by hand, by using sophisticated machinery, or by any method other than the direct molding process. . . .
>
> The statute prevents unscrupulous competitors from obtaining a product and using it as the "plug" for making a mold. The statute does not prohibit copying the design of the product in any other way; the latter, if in the public domain, is free for anyone to make, use, or sell.

I find this interpretation persuasive. Both *Sears, Roebuck & Co. v. Stiffel Company*, 376 U.S. 225, 84 S.Ct. 784, 11 L.Ed.2d 661 (1964) and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 84 S.Ct. 779, 11 L.Ed.2d 669 (1964), involved statutes which prohibited *all forms* of copying, and which, in effect, created state patent laws. Under the statute in question here, a competitor may copy and duplicate a boat hull in any fashion whatever, except by the direct molding process. I fail to see how this limitation conflicts with or impairs the federal patent laws. *See Kewanee Oil Company v. Bicron Corp.*, 416 U.S. 470, 94 S.Ct. 1879, 40 L.Ed.2d 315 (1974). I would hold the statute constitutional and reverse the judgment below.

SUPREME COURT
STATE OF FLORIDA

BONITO BOATS, INC.

Plaintiff/Appellant,

vs. APPEAL NO. 68,829

THUNDERCRAFT
BOATS, INC.,

Defendant/
Appellee.
_____/

APPENDIX TO ANSWER BRIEF OF APPELLEE

On Appeal from the Fifth District
Court of Appeal, State of Florida

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STATE OF FLORIDA
HOUSE TRANSPORTATION COMMITTEE MEETING
May 2, 1983

Tom Gustafson, Chairman

CHAIRMAN: I am going to try and take care of the Senators and House Members that are here quickly particularly on some of those noncontroversial bills and on HB 685. Mr. McPherson is here. He handles the identical Senate bill. He is arguing that for Ms. McKenzie.

MR. McPHERSON: Mr. Chairman, I really appreciate your making the exception on the agenda of the Honorable House of Representatives. This bill addresses two problems.

One, that of boat theft, and one of hull duplication. It calls for a hidden identification number in several places on the boats. Florida is number one in boat theft in the nation and these boats are not $15 and $20 boats. They're 10 and 15 thousand dollar boats, and it's a very simple matter to steal one, and all you do is grind out the identification number that's prominently displayed on the hull, and you have a boat, and it's very hard to prove a case against someone that has done that. This is very similar to what they do presently with automobiles where there are several identification numbers on your automobile that are hidden and only known to the manufacturer and law enforcement agencies.

Two, deals with hull duplication, and that would be in the instance that for instance Macko would design an energy efficient hull, and would spend several months or years in research and its design, but once they market that boat anybody can pull it down to one of these industrial sections where they have a little shop and what they refer to in boat manufacturing as splashing, duplicate that hull and start manufacturing that same hull. So, first of all, there is no inducement for that quality boat manufacturer to improve these designs and secondly, if he does, it is immediately copied. This would prevent that and allow him recourse in circuit court.

CHAIRMAN: Questions?

No questions.

Mr. Mart moves the Bill, Mr. Dudley first.

MR. DUDLEY: Is not the latter part of the unlawful to duplicate already covered under federal law if there is a copyright protection?

MR. McPHERSON: No, sir, it is not, and, unfortunately, we wish that it was, but they are doing it state by state, and marine industries are hoping to do it in a number of states, but it is a real problem, and . . .

MR. DUDLEY: There are amendments from the committee.

CHAIRMAN: The committee on transfers of the subcommittee on page 3, line 4,

strike "injured by a" and insert "who suffers injury or damage as a result of a".

MR. McPHERSON: It's better English.

Mr. Wallace moves that amendment.

CHAIRMAN: Any objections? Hearing none, record a unanimous roll call. Up next, another amendment on page 3, line 7, strikes "the injured" and insert such again its same technical correction same as the 6 amendment all these amendments.

Mr. Wallace moves the amendment.

CHAIRMAN: Any objections? Hearing none, record a unanimous roll call. Vote now on the bill as amended. Any other questions, comments? If not, the motion has been made. Please call the roll.

MS. BAILEY: Yes.

MS. BROWN: Yes.

MR. COSGROVE: Yes.

MS. DAVIS: (No Response).

MR. DUDLEY: Yes.

MR. GALLAGHER: (No Response).

MR. HARGRET: Yes.

MR. HAWKINS: Yes.

MR. HEALEY: Yes.

MR. JOHNSON: Yes.

MR. LEWIS: Yes.

MR. MARTIN: Yes.

MR. PEOPLES: Yes.

MR. SILVER: (No Response).

MR. THOMPSON: (No Response).

MR. WALLACE: Yes.

MR. WARD: (No Response).

MR. WATT: Yes.

MR. WEBSTER: Yes.

MR. WILLIAMS: (No Response).

MR. CHAIRMAN: Yes.

Reconsideration.

CHAIRMAN: On House Bill 685, Mr. Ward will move to reconsider the vote by which the amendment to the bill passed. We do have an amendment that he had talked with the sponsors on that we need to put on quickly in order to get the Bill out. If there is no objection, we will reconsider then House Bill 685. The amendment goes to making sure that you can put the registration number on the rudder of an airboat so that it is not caught up in the registration problem in error. On House Bill 685, then, there is an amendment by Mr. Ward.

MR. WARD: The amendment would say that they may put the registration numbers on the rudder as well as on the hull if they want to because when they roam through the grass and the reeds they get knocked off

of the hull, and they are much greater protected on the rudder so it is an option to the owners of the airboats.

MR. GALLAGHER: Is that for the manufacturer number?

MR. WARD: That's for the registration number that the State of Florida requires.

MR. GALLAGHER: This doesn't affect the manufacturer?

MR. WARD: No.

CHAIRMAN: All right. If there is no objection, we will quote a unanimous roll call on that amendment. Next there is a title amendment. Is there any objection? Hearing none, record unanimous roll call on the title amendment now as to House Bill 685 as amended. Is there objection? Hearing not, please call the roll.

ROLL CALL:

MS. BAILEY: (No Response)

MS. BROWN: Yes.

MR. COSGROVE: Yes.

MS. DAVIS: (No response)

MR. DUDLEY: Yes.

MR. GALLAGHER: Yes.

MR. HARGRET: Yes.

MR. HAWKINS: Yes.

MR. HEALEY: Yes.

MR. JOHNSON: Yes.

MR. LEWIS:	Yes.
MR. MARTIN:	(No Response)
MR. PEOPLES:	Yes.
MR. SILVER:	(No Response)
MR. THOMPSON:	Yes.
MR. WALLACE:	Yes.
MR. WARD:	Yes.
MR. WATT:	Yes.
MR. WEBSTER:	Yes.
MR. WILLIAMS:	(No response)
MR. GUSTAFSON:	Yes.
CHAIRMAN:	By vote the Bill passes as amended.

SUPREME COURT
STATE OF FLORIDA

BONITO BOATS, INC.

Plaintiff/Appellant,

vs. APPEAL NO. 68,829

THUNDERCRAFT
BOATS, INC.

Defendant/
Appellee.

_____/

APPELLEE'S MOTION TO SUPPLEMENT THE RECORD

Pursuant to Fla.R.App.P. 9.200(f) Appellee, THUNDERCRAFT BOATS, INC., movers this Court to enter an order supplementing the record on appeal by inclusion of the transcript of the recorded proceedings of the Transportation Committee of the Florida House of Representative which considered the statute whose constitutionality is the subject of this appeal. In support of this motion, appellee relies on the following:

1. Appellee's extensive efforts to obtain any legislative history for Section 559.94, Florida Statutes, the legislation challenged in this appeal, yielded only a tape recording of proceedings before the Transportation Committee of the Florida House of Representatives on May 3, 1983. Since it is in a recorded form, this legislative history is not capable of traditional citation as authority. Nor can it usefully be judicially noticed absent a transcription.

2. Appellee undertook the task of transcribing the recorded proceedings. Appellee submitted both the tape and the proposed transcript to counsel for Appellant for

review and for possible inclusion as part of the record. As a result of the review, undersigned counsel is authorized to represent to this Court that Appellant's counsel agreed with the accuracy of the transcript submitted with the Answer Brief as an appendix and has no objection to its inclusion in the record of appeal. In taking this position, however, Appellant's counsel does not stipulate that the recording is the only legislative history covering §559.94, Florida Statutes.

3. The extant legislative history may assist this Court in determining the constitutionality of the statute at issue.

WHEREFORE, Appellee, THUNDERCRAFT BOATS, INC., respectfully requests this Court to enter an order adopting the transcript of proceedings of the Transportation Committee of the Florida House of Representatives on May 3, 1983, attached to the Appendix that accompanies the Answer Brief, as part of the record on appeal.

Respectfully submitted,

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SUPREME COURT OF FLORIDA

WEDNESDAY, AUGUST 20, 1986

BONITO BOATS, INC.,	)	
	)	
APPELLANT,	)	
	)	
V.	)	CASE NO. 68,829
	)	
THUNDERCRAFT BOATS, INC.,	)	
	)	
APPELLEE.	)	

Appellee's Motion to Supplement the Record is hereby granted and this Court adopts the transcript of proceedings of the Transportation Committee of the Florida House of Representatives on May 3, 1983, attached to the Appendix that accompanies the Appellee's Brief filed on August 18, 1986.

SUPREME COURT OF FLORIDA
CORRECTED OPINION

No. 68,829

BONITO BOATS, INC., Appellant,
vs.
THUNDER CRAFT BOATS, INC., Appellant
(November 12, 1987)

GRIMES, J.

We have for review *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 487 So.2d 395 (Fla. 5th DCA 1986), in which the district court found section 559.94, Florida Statutes (1985),* unconstitutional. We have jurisdiction. Art. V, § 3(b)(i), Fla. Const.

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* § 559.94, Fla. Sat. (1985):

(1) As used in this section, the term:

(a) "Direct molding process" means any direct molding process in which the original manufactured vessel hull or component part of a vessel is itself used as a plug for the making of the mold, which mold is then used to manufacture a duplicate item.

* * * *

(2) It is unlawful for any person to use the direct molding process to duplicate for the purpose of sale any manufactured vessel hull or component part of a vessel made by another without the written permission of that other person.

(3) It is unlawful for any person to knowingly sell a vessel hull or component part of a vessel duplicated in violation of subsection (2).

(Continued on following page)

Bonito filed suit alleging that Thunder Craft unlawfully duplicated an unpatented Bonito boat design using the direct molding process in violation of section 559.94. The trial court dismissed the complaint, finding section 559.94 preempted by federal patent law. The district court affirmed, finding that federal patent law permits unrestricted copying of unpatented articles, relying on *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964).

In *Sears*, Sears, Roebuck and Company had copied and sold pole lamps which had been originally designed and marketed by Stiffel Company. In reversing a ruling that Sears was guilty of unfair competition under Illinois law, the Court said:

> In the present case the "pole lamp" sold by Stiffel has been held not to be entitled to the protection of either a mechanical or a design patent. An unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so. What Sears did was to copy Stiffel's design and to sell lamps almost identical to those sold by Stiffel. This it had every right to do under the federal patent laws. That Stiffel originated the pole lamp and made it popular is immaterial. "Sharing in the goodwill of an article unprotected by patent or trade-mark is the exercise of a right possessed by all–and in the free exercise of which the consuming public is deeply interested." *Kellogg Co. v. National Biscuit Co., supra,*

(Continued from previous page)

(4) Any person who suffers injury or damage as the result of a violation of the provisions of this section may bring an action in circuit court for an injunction prohibiting such violations . . .

> 305 U.S. at 122 (59 S.Ct. at 115). To allow a State by use of its law of unfair competition to prevent the copying of an article which represents too slight an advance to be patented would be to permit the State to block off from the public something which federal law has said belongs to the public.

376 U.S. at 231-32. In *Compco*, which involved a similar issue with respect to a lighting fixture, the Court observed:

> Today we have held in *Sears, Roebuck & Co. v. Stiffel Co.*, (376 U.S. 225, 84 S.Ct. 784), that when an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain. Here Day-Brite's fixture has bee held not to be entitled to a design or mechanical patent. Under the federal patent laws it is, therefore, in the public domain and can be copied in every detail by whoever pleases.

376 U.S. at 237-38.

The suggestion that a trio of more recent Supreme Court cases has modified the *Sears/Compco* doctrine cannot withstand a careful analysis.

The issue in *Goldstein v. California*, 412 U.S. 546 (1973), was the constitutionality of a California statute that imposed criminal penalties for the duplication of recorded musical performances known as record piracy. Thus, the federal copyright laws rather than the federal patent laws were implicated. The then existing copyright act did not expressly deal with record piracy. Therefore, the Supreme Court concluded that Congress' silence in

this respect freed the states to regulate in that area. However, the Court was careful to distinguish "mechanical configurations" protected by the patent law and "writings" which were subject to the copyright law, when it said:

> In regard to mechanical configurations, Congress had balanced the need to encourage innovation and originality of invention against the need to insure competition in the sale of identical or substantially identical products. The standards established for granting federal patent protection to machines thus indicated not only which articles in this particular category Congress wished to protect, but which configurations it wished to remain free. The application of state law in these cases to prevent the copying of articles which did not meet the requirements for federal protection disturbed the careful balance which Congress had drawn and thereby necessarily gave way under the Supremacy Clause of the Constitution. No comparable conflict between state law and federal law arises in the case of recordings of musical performances. In regard to this category of "Writings," Congress has drawn no balance, rather, it has left the area unattended, and no reason exists why the State should not be free to act.

Id. at 569-70 (footnote omitted).

The question before the Court in *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974), was whether state trade secret protection is preempted by operation of the federal patent laws. Trade secret protection can only arise in a private context before an article is placed in the public domain. This protection operates only against a limited number of insiders who have gained exposure to the secret during the development of the article. Trade secret laws do not purport to give the owner or exploiter the

right to restrain other competitors from copying the secret once it is placed in the public domain. *Kewanee* held only that neither federal patent laws nor their underlying policies mandated that the holder of a trade secret must be subjected to the risk of its disclosure and use by the insiders with whom he deals. The Court stated:

> [T]he policy that matter once in the public domain must remain in the public domain is not incompatible with the existence of trade secret protection. By definition, a trade secret has not been placed in the public domain.

416 U.S. at 484 (footnote omitted). Section 559.94, Florida Statues (1984) (sic), is not directed to trade secrets but rather operates to impede the right of competitors to duplicate an unpatented article in the public domain.

Aronson v. Quick Point Pencil Co., 440 U.S. 257 (1979), dealt with a contract to pay royalties for the right to sell an article which later proved to be unpatentable. In upholding the continuing requirement to pay royalties, the United States Supreme Court pointed out that enforcement of the contract did not conflict with the patent laws because anyone could copy the article. At the same time, the Court reaffirmed the principle that:

> [A] state may not forbid the copying of an idea in the public domain which does not meet the requirements for federal patent protection.

Id. at 264.

Pursuant to the *Sears/Compco* doctrine, when an article is introduced into the public domain, only a patent can eliminate the inherent risk of competition and then but for a limited time. Yet, the dissent purports to uphold

the statute because it outlaws only one type of duplication. Either an article in the public domain is fully protected by patent or it may be copied in any manner. The United States Supreme Court has never ruled that the states may selectively enact barriers against some methods of copying unpatented articles.

Admittedly, the United States Court of Appeals in *Interpart Corp. v. Italia*, 777 F.2d 678 (Fed. Cir. 1985), held a substantially similar california statute was not preempted by federal patent law. As the basis for its ruling, the court said:

> [T]he statute . . . does not give the creator of the product the right to exclude others from making, using, or selling the product as does the patent law. The statute does not preclude one from photographing, measuring, or in any way utilizing the concept of the design of the product. It does not preclude copying the product by hand, by using sophisticated machinery, or by any method other than the direct molding process. . . .
>
> The statute prevents unscrupulous competitors from obtaining a product and using it as the "plug" for making a mold. The statute does not prohibit copying the design of the product in any other way; the latter, if in the public domain, is free for anyone to make, use, or sell.

Id. at 684-85.

With all due respect, this is a misapplication of the *Sears/Compco* doctrine. Regardless of whether we approve of one capitalizing upon the fruits of another's labor, a competitor is not "unscrupulous" in the eyes of the patent law if he copies someone else's unpatented invention, irrespective of the manner employed to make the copy.

Apparently, the direct molding process is an efficient and inexpensive way of duplicating boat hulls. Otherwise, the legislation, which is intended to protect the original manufacturers of boat hulls, would never have been enacted. There is no indication that section 559.94 was passed to prevent mislabelling or deceptive trade practices. The suggestion that it is "unfair" for one to copy the work of another through the process of making a mold has already been taken into consideration by the federal patent laws which maintain the balance between protecting inventions and the desirability of free competition. Article I, section 8 of the United States Constitution empowered Congress to establish laws with respect to inventions and the states are precluded from second-guessing these laws by placing unauthorized restrictions upon their implementation.

We hold section 559.94 to be unconstitutional and affirm the decision of the district court of appeal.

SHRLICK, BARKETT and KOGAN, JJ., Concur
SHAW, J., Dissents with an opinion, in which McDONALD, C.J., and OVERTON, J., Concur

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SHAW, J., dissenting.

Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964), and its companion case, *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964), stand for the general rule that

> when an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.

376 U.S. at 237. *Sears* and *Compco* each involved state unfair competition laws prohibiting the sale of identical copies of unpatented items. The state laws had the effect of removing the unpatented items from the public domain, thus, conflicting with federal patent policy. In contrast, section 559.94, Florida Statutes (1983) (sic), does not prohibit the copying of an unpatented item. It prohibits one method of copying; the item remains in the public domain.

The United States Court of Appeals for the Federal Circuit recently found in *Interpart Corp. v. Italia*, 777 F.2d 678 (Fed. Cir. 1985), that a substantially similar California statute was not federally preempted, reasoning that

> the statute . . . does not give the creator of the product the right to exclude others from making, using, or selling the product as does the patent law. The statute does not preclude one from photographing, measuring, or in any way utilizing the concept of the design of the product. It does not preclude copying the product by hand, by using sophisticated machinery, or by any method other than the direct molding process. . . .
>
> The statute prevents unscrupulous competitors from obtaining a product and using it as the 'plug' for making a mold. The statute does not prohibit copying the design of the product in any other way; the latter, if in the public domain, is free for anyone to make, use, or sell.

Id. at 684-85. The majority finds that the court of appeals misapplied the *Sears/Compco* doctrine. I disagree, and find the decision highly persuasive. The United States Court of Appeals for the Federal Circuit has exclusive jurisdiction over appeals from final federal district court decisions arising under patent law. 28 USCS § 1295(a)(1) (1986). "In creating this nationwide subject matter jurisdiction in the area of patent appeals, it was the intention of Congress to provide a forum that would increase doctrinal stability in the area of patent law and reduce forum shopping, which was considered to be common in patent litigation." *Cable Electric Products, Inc. v. Genmark, Inc.*, 770 F.2d 1013, 1032 (Fed. Cir. 1985).

The majority points out that "[t]he United States Supreme Court has never ruled that the states may selectively enact barriers against some methods of copying unpatented articles," slip op. at 5 [J.A. 35]. The Court has ruled that "states are free to regulate the use of such intellectual property in any manner not inconsistent with federal law." *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979) (citations omitted). *Aronson* involved a contract to pay royalties allegedly in conflict with federal patent law. Although the majority seeks to distinguish *Aronson* and cases cited therein, the Court's discussion of the *Sears/Compco* doctrine and general propositions of intellectual property law apply to patent law as well as other areas of intellectual property law. I would not read this case as restrictively as does the majority.

This Court has a duty to resolve all doubt as to a statute's validity in favor of its constitutionality. *See e.g. Falco v. State*, 407 So.2d 203 (Fla. 1981); *Horseman's Benevolent and Protective Association, Florida Division, v. Division*

of Pari-Mutuel Wagering Department of Business Regulations, 397 So.2d 692 (Fla. 1981); *Ison v. Zimmerman*, 372 So.2d 431 (Fla. 1979); *State v. Williams*, 343 So.2d 35 (Fla. 1977). Given the United States Supreme Court's silence on the precise issue presented in this case and the United States Court of Appeals decision in *Interpart*, I would reverse the district court's decision and find section 559.94 valid and not preempted by federal patent law.

McDONALD, C.J., and OVERTON, J., Concur